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TO RUEATRS/DEPT OF TREASURY WASHDC IMMEDIATE
RUEHC/SECSTATE WASHDC IMMEDIATE 5196
INFO RUEHFL/AMCONSUL FLORENCE IMMEDIATE 1520
RUEHMIL/AMCONSUL MILAN IMMEDIATE 7282
RUEHNP/AMCONSUL NAPLES IMMEDIATE 1591
RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 0606

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STATE FOR P,E,EUR/PGI:LREASOR, EB/ESC/TFS:DNELSON, DBROWN,
EUR/WE:AYOUNG, EUR/ERA:EBROWN, NP/RA:RMETCALF
TREASURY FOR U/S LEVEY, ASZUBIN, JSERAFINI, JFOWLER, CCLARK

E.O. 12958: DECL: 06/24/2016

TAGS: [EFIN](#) [IT](#) [PTER](#)

SUBJECT: ITALY'S RESPONSE: TERRORIST FINANCE TRACKING
PROGRAM AND NEW YORK TIMES STORY

REF: SECSTATE 103650

Classified By: Acting Economic Minister Counselor Kathleen Reddy for re
asons 1.5 (b,d)

[1](#)1. (U) This is an action request. Please see para 7.

[1](#)2. (S) A/ECMIN and EconOff delivered reftel talking points
June 23 to Carlos Baldocci, Ministry of Finance (MoF)
Diplomatic Advisor, (senior advisor on international
affairs), and Giuseppe Maresca, Director General of the MoF's
Office for Financial Crimes and recognized expert on
terrorism financing.

[1](#)3. (S) Drawing from reftel points, A/ECMIN began by
stressing the legal basis of the Terrorist Finance Tracking
Program, and the rigorous safeguards in place to protect
privacy. She also expressed regret that the New York Times
published the article, as public dissemination of sources and
methods diminish national security and our government's
efforts to prevent terrorist activity.

[1](#)4. (S) EconOff also noted that the recently-appointed
Minister of Finance, Padoa-Schioppa, may have previous
knowledge of this program, as he was a member of the European
Central Bank's Executive Board, and head of departments for
banking supervision, settlement systems, and foreign
relations, from 1998 - 2005. Maresca said he was unaware if
the Minister knew about this program, but agreed that he
might.

[1](#)5. (S) Baldocci said he would inform the Minister (then at
an all-day Council of Ministers' meeting on the budget) as
soon as possible, and said he would prepare him for possible
questions from the press. Baldocci and Maresca also asked:

-- Who in the USG issues the subpoenas to SWIFT?
-- What was the legal basis for SWIFT's entering into this
arrangement, and who at SWIFT would have authorized the
program?
-- Had Italian citizens' financial records been targeted
under this program?
-- Did the U.S. Treasury Secretary inform the Italian
Minister of Finance when the program was initiated?

[1](#)6. (S) Maresca said he may have additional questions after
reviewing the material.

[1](#)7. (S) Comment and Action Request: It was clear Baldocci

was uninformed about this program, but not clear whether Maresca had previous knowledge. Embassy requests Washington agencies provide any available information for us to respond to para 5 questions. End Comment and Action Request.
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